VIA OEB RESS

October 8, 2024

Ontario Energy Board
Attn: Ms. N. Marconi, Board Registrar
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

RE: EB-2022-0335 – EGI IRP Pilot Project - FRPO Final Argument

We are writing on behalf of the Federation of Rental-housing Providers of Ontario ("FRPO") in response to Procedural Order No. 5 in the EGI IRP Pilot Project proceeding.

FRPO is represented at the OEB by DR QUINN & ASSOCIATES LTD. with Dwayne Quinn as the primary representative. Dwayne Quinn is also on the Board-ordered IRP working group and has had opportunity to witness the trials and evolution of EGI's attempts at steps toward implementing IRP. His concerns and comments are part of the public record and can viewed along with the IRP working group documentation in the IRP section of the Board's Engage with Us.

INTRODUCTION

FRPO has been a proponent of IRP for almost a decade. In the third of the series of three Dawn-Parkway builds, FRPO inquired, developed and promoted the need to evaluate market-based alternatives to the on-going facilities expansions. The Settlement Proposal contained the provision:[1]

> *A number of parties further believe that given the accelerating pace of change in the market, future expansion applications should include evidence reflecting consideration and evaluation, including through consultation with the market, open season or by way of RFP, as, when and if appropriate, of the risks and benefits of permanent or interim non-facility alternatives to facility investment.*

FRPO's belief in the public interest benefit resulted in our emphasis in the IRP proceeding of the importance of supply-side alternatives, including bridging solutions, in the consideration of mitigating the risk of facilities as part of the IRP proceeding.[2]

What is noticeably missing from the pilot are supply-side IRP alternatives or bridging solutions. These approaches could have been part of the Parry Sound IRP pilot that was part

[1] EB-2015-0200 Settlement Proposal
[2] EB-2020-0091

of the original application. The absence of these approaches limits the testing of the spectrum of alternatives available to EGI in examining effective approaches to avoid infrastructure capital.

In our following submissions, we will provide our views on the proposed pilot, the gap left once Parry Sound was abandoned and some considerations for IRPA's going forward.

PROGRESS ON IRP IS OVERDUE SO WE ACCEPT SLH PILOT AS ONE PILOT

FRPO is supportive of proceeding with the South Lake Huron (SLH) IRP Pilot Project in the application. A large number of customer meters in the area are equipped with encoder receiver transmitter (ERT) technology.[3] This technology allows t*he Company to collect and transmit hourly interval data from customer meters and to quantify the impacts of the proposed IRPAs on distributions system peak period flows/demand, significantly reducing the time and costs associated with data collection.*[4] While billed as "*advanced metering units*",[5] the appurtenances are vestiges of an abandoned Union Gas automated meter reading pilot project from about 20 years ago. However, the major advantages of their existence are their existing deployment which allows for a cost-effective and expeditious start to the data collection for demand-side IRPA solutions.

We believe that the range of demand-side solutions being proposed are appropriate to test different approaches to reducing peak demand. While we see leveraging the value of the existing ERT's to create a customer baseline and resulting demand after applying the demand-side solution, we are concerned that the bigger picture is missing. Knowing the potential to reduce individual customer demand through the IRPA is helpful. However, in our view, the company has not planned sufficiently for how to aggregate this effect including the diversity of customer demand into potential system-based capacity constraint mitigation to avoid facilities. This aspect was another loss from the elimination of the Parry Sound pilot.

One of the keys to the choice of the Parry Sound system was that it is a single-fed system. [6]

> *This configuration provides an isolated system from which it is optimally possible to observe and measure the impacts of various IRPAs on distribution system peak period (hourly) flows/demand.*

The Parry Sound type of system would have allowed EGI to create baseline pressure and flow expectations for the system. Once established, EGI would have an optimal opportunity to determine the impact of demand-side load reduction initiatives on the flows and resulting pressures particularly at the low point of the system. In addition, EGI had planned to use Compressed Natural Gas (CNG) injection at an appropriate location as a bridging solution to allow time for demand-side solutions to be implemented. The opportunity to learn about the efficacy of that IRPA is lost with the elimination of the Parry Sound pilot.

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[3] JT1.2 provides that 93% of customer meters in the SLH are equipped with the technology
[4] Exhibit C, Tab 1, Schedule 2, Page 8
[5] EGI_ARGChief_20240924, Page 1, para. 2
[6] Original Application, filed 2023-07-19 Exhibit C, Tab 1, Schedule 2, Page 4, par

Given the company's choice to focus on one system pilot, we requested information on the station flows and pressure at the system low-point in the SLH system. Given the limited system information evidenced on the SLH system, in the Technical Conference, we asked for the station flows and low pressure point over the forecasted years.[7] The undertaking response provided in Tables 1 and 2 show the forecasted flow and low point pressure with and without Enhanced Targeted Energy Efficiency (EETE) and Demand Reduction (DR). What is interesting is that, in both the with and without measures, the anticipated aggregate flow in the system decreases, while the low point pressure decreases in the initial few years and then increases as more peak hour consumption comes off the system. This data informs the experienced systems' analyst that the multiple sources of gas in the system and locationally different load reduction make it difficult to understand the system impact of the forecasted load reduction in a manner that will be transferrable to other systems.

Given this limitation amongst others, there is only one pilot, not two as asserted by EGI.[8] EGI will still need to determine how to measure the efficacy of its demand-side solutions on the ability to defer infrastructure to overcome supply constraints. Further, the opportunity to assess CNG will have to wait for a future supply constraint where this bridging solution can be employed and evaluated. Moreover, the pilot does not include any opportunity to assess supply-side IRPA's. We note that not testing supply-side IRPA's prior to upcoming major expansions like Dawn-Parkway limits the opportunity to apply lessons learned to major long asset life investments. As such, we would recommend that the Board direct EGI to provide substantial evidence on their efforts to work with market participants including inter-connected pipelines to mitigate or eliminate the need for large facility investment through supply-side IRP.

FRPO SUPPORTS SEC'S LIST OF ISSUES FOR COMMISSIONER CONSIDERATION

FRPO has worked closely with SEC in many proceedings and consultations. SEC's representative, Jay Shepherd, has leveraged his considerable DSM experience into insights for IRP. As such, we support and adopt SEC's list of issues articulated in its submissions.[9]

COSTS OF PILOT OUGHT TO BE SPREAD ACROSS THE FRANCHISE

EGI has proposed to allocate the costs of the pilot to the Union South in-franchise rate classes in proportion to Union South design day demands, excluding design day demands served directly off transmission lines.[10] This approach may have been appropriate in the initiation of the project to meet the shorter-term needs of the SLH distribution system. However, given that those needs are not the driver of this work and the benefits of the project inform supply constraint needs across the franchise,[11] FRPO respectfully submits that the allocation ought to be in proportion to design day demands across the entire franchise.

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[7] Exhibit JT1.16
[8] EGI_ARGChief_20240924, Page 1, para. 4
[9] SEC_FinalArg_IRP Pilot Projects_20240930, Page 2
[10] EGI_ARGChief_20240924, Page 16, para. 39
[11] Exhibit A, Tab 3, Schedule 1, Page 4 paragraph 11

CONCLUSION

FRPO believes in the merits of IRP to assist in making informed environmentally and economically effective investments respecting Energy Transition. As a result, we support the application for the SLH pilot to get started on this delayed pilot. However, as noted above, much more work needs to be done on supply-side IRPA's, bridging solutions and issues identified by SEC. Given the nature of the benefits from this pilot, a franchise wide allocation of IRP-related costs is warranted in our view.

Respectfully Submitted on Behalf of FRPO,

R. Dwayne Quinn

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